

**MINUTES OF THE  
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES  
APPROPRIATIONS SUBCOMMITTEE  
WEDNESDAY, JANUARY 28, 2003, 2:00 P.M.  
Room 403, State Capitol Building**

Members Present: Sen. Beverly Evans, Committee Co-Chair  
Rep. Loraine T. Pace, Committee Co-Chair  
Sen. Greg Bell  
Sen. Mike Dmitrich  
Rep. Roger Barrus  
Rep. Ralph Becker  
Rep. DeMar "Bud" Bowman  
Rep. D. Gregg Buxton  
Rep. David Clark  
Rep. Stephen Clark  
Rep. Wayne Harper  
Rep. Brent H. Goodfellow

Staff Present: Kevin Walthers, Fiscal Analyst  
Bonnie Brinton, Committee Secretary

List of those also present: Camille Anthony - Executive Director, DAS  
Patricia Smith-Mansfield - Director, Archives  
Ken Hansen - Director, Administrative Rules  
Randa Bezzant - Analyst, GOPB  
Doug Richins - Director, Purchasing and General Services  
Kim Thorne - Director, Finance  
Colin Winchester - Judicial Conduct Commission

A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Pace called the meeting to order at 2:15 p.m.

**Administrative Services Appropriated (Tab 1)**

The Analyst, Kevin Walthers, discussed the issue of Non-Lapsing Funds and stated that he believes the authorization to carry forward funds from one year to the next should be tied to specific projects and approved by the Legislature in accordance with the Budgetary Procedures Act.

The Analyst further believes that the Administrative Services should present to the Governor and Legislature a specific request for non-lapsing authority. Given that each

line item received non-lapsing authority last year, there is no requirement for such a request. For FY 2005 the Analyst recommends that authority be provided only for the Division of Finance and that the funds be earmarked for upgrading the state's accounting system.

Rep. Becker asked how to reconcile the Governor's budget with the Analyst's budget. Mr. Walthers explained that each budget is arrived at using a different method so comparisons are difficult.

Randa Bezzant, Analyst, Governor's Office of Planning and Budget, explained the handout showing the governor's budget and responded to questions from the subcommittee members.

**1. Executive Director (Tab 2)**

Mr. Walthers discussed the Department of Administrative Services Internal Service Funds and stated that the oversight of these funds is a primary duty of the Executive Director's Office. Approximately 15% of the EDO budget comes from Internal Service Fund transfers. The Analyst supports this transfer as a necessary cost to the ISF program to ensure the most cost effective provision of services across state government.

The Analyst also noted that on January 16, 2004, the Deputy Director for Administrative Services transferred to the position of Director of Information Technology Services. Given the lack of new funds available for FY 2005, this presents an opportunity to reprioritize within the Department. Savings associated with this vacancy total \$121,900. The Analyst's Budget Analysis for State Archives recommends using a portion of these funds for new costs associated with the new Archives building.

Co-Chair Pace introduced Camille Anthony, Executive Director, DAS, and presented a short biographical sketch about her.

Ms. Anthony, responded to the Analyst's recommendation by saying that she appreciated the present circumstances with flat funding. However, she sees the use of the money from the vacancy referred to as a cut that her department cannot afford. She stated that this cut assumes that this transfer is a permanent condition. She has already cut three FTE's; she feels the department is as lean as possible; and almost every employee has two responsibilities. Also, a permanent cut of the \$120,000 means there will be no money to fill the vacated position.

The Director commended David Fletcher, the Acting Director of ITS and stated how

fortunate they are to have such a qualified person to assume that position. She concluded by stating that instead of the Legislature determining where DAS is to cut funding, that they allow the Department to make that decision. She also concluded that if this cut is made, the Department will be forced to raise the rates of services to other agencies to cover expenses.

Sen. Bell asked if in the interest of time a subcommittee could be formed to reconcile this issue. The Co-Chairs agreed this would be a good solution.

**MOTION:** Co-Chair Evans moved that a subcommittee be formed consisting of the Co-Chairs, the Analyst and Ms. Anthony to resolve this issue.

The motion passed unanimously with Rep. Barrus absent at the time of voting.

## 2. Archives (Tab 4)

Mr. Walthers explained the Archives budget and responded to the Governor's Budget Bulletin. He referred to the Operations and Maintenance of the new facility located next to the Rio Grande Depot. The facility will be ready for occupancy in FY 2005 and will require an additional expense of \$85,800 for the Division. The Division carried no base O&M budget since the previous administrative offices on Capitol Hill were part of the Capitol Preservation Board Budget. The Analyst recommends using vacancy savings in the Executive Director's Office budget as the source of funding.

The Analyst reported that the project to catalog the records of former governors is almost complete.

Co-Chair Pace introduced the new director of the Archives Division, Patricia Smith-Mansfield and gave a short biographical sketch about her. The Director gave a summary of the new building and stated that it is to be completed on August 6, 2004, and that the Division will move into it immediately upon completion.

Kevin Walthers, Analyst, is recommending using vacancy savings from the Executive Director's Office to cover the Automated Storage and Retrieval System's maintenance contract additional expense of \$9,000 per year. This system provides computerized vertical storage that maximizes use of warehouse space.

Ms. Smith-Mansfield stated that the Division has requested \$12,700 in supplemental funding and \$23,100 in ongoing funding to cover rent increases at the records center in West Valley City. This Center provides short-term storage for temporary records and

access to documents for state agencies. She further stated that if funds were available, she would like to have intent language to reflect carryover funds.

Rep. D. Clark commended Rep. Pace for her efforts in support of the Archives Division.

Co-Chair Pace reported that she had asked former Governor Levitt to have his own records processed and stored, and she will also approach Governor Walker to ask her to have her records processed and stored.

Ms. Smith-Mansfield explained the cooperation between Archives and the History department which will provide better service and upgrade computer accessibility to the public. She responded to questions from the subcommittee members and stated that the new facility will have 30,000 cubic feet of storage left after all the permanent records have been transferred. She anticipates an increase of 1,000 cubic feet per year, allowing for 30 years of storage remaining at the new Archive facility.

The Director also responded to Rep. D. Clark's question regarding digitizing records. She stated her belief that the State should create standards for groups wishing to digitize. She also stated that she assists the counties with needed record keeping.

**MOTION:** Sen. Bell moved to approve the budget for the Archives Division in the amount of \$1,909,000, with 28 FTE's.

The motion passed unanimously with Reps. S. Clark and Harper absent at the time of voting.

### **3. Administrative Rules (Tab 3)**

Mr. Walthers reviewed the Base Budget and FTE's for this Division.

The Analyst discussed the issue of accuracy in the rule making process. He stated that the Division processes approximately 1,500 rules per year with four staff members and does not have the time nor the staff expertise to analyze every rule for accuracy and legality. However, over the past year the Division noted an increase in rules filed with technical inaccuracies.

The Analyst further stated that more than 25% of rules filed in 2003 required correction by the originating agency. Each state agency is assigned a staff attorney from the Attorney General's office who should provide assistance with this process. Mr. Walthers believes that if left unchecked, the increase could result in the need for additional

employees at the Division with the sole responsibility of verifying that Rules are submitted appropriately.

Co-Chair Pace introduced Ken Hansen, Director, Administrative Rules, and presented a short biographical sketch about him.

Mr. Hansen expressed appreciation for the support from DAS and this subcommittee. He responded to the Analyst's report and said the Division is working with state agencies and government offices to update an executive order which will encourage agencies to use an accurate rule-making process.

The Director referred to the excellent work of the Administrative Rules Committee and Sen. Dmitrich's service on that committee. Sen. Dmitrich stated that this committee oversees statutory intent and that it is a good process and is important in the rule-making process.

The Analyst asked Mr. Hansen to email *The Utah State Bulletin* to subcommittee members for their information.

Co-Chair Pace expressed appreciation to Mr. Hansen for the excellent accomplishments of the Division.

**MOTION:** Sen. Dmitrich moved to approve the budget for the Administrative Rules Division of \$279,700.

The motion passed unanimously with Reps. Goodfellow and Harper absent at the time of voting.

#### **4. Purchasing (Tab 5)**

Kevin Walthers, Analyst, introduced this Division by stating that a centralized purchasing organization provides savings by ensuring that the best value is received for an item. Over the past four years the number of statewide and agency contracts per FTE is up significantly. This results in delays for reissuing RFPs, less oversight and less time to manage contracts.

He further stated that as budgets were cut in FY 2002 and FY 2003, the Department eliminated positions in Purchasing to reach budget targets. The Analyst expressed concern at the time that the cuts essentially added costs to other agencies in excess of the savings gained with the elimination of the position. This year the subcommittee

allocation contains some flexibility that can restore funding to the Division of Purchasing to hire an additional purchasing agent.

The Analyst recommends approval of \$75,000 in General Fund for the Division to hire an additional purchasing agent. Funds for the position will come from savings in other areas of the CFAS budget.

Co-Chair Pace introduced Doug Richins, Director, Purchasing and General Services, and presented a short biographical sketch about him.

Mr. Richins responded to questions from Subcommittee members and discussed cooperative purchasing to provide savings to taxpayers.

**MOTION:** Rep. Bowman moved to approve the budget for the Division of Purchasing and General Services in the amount of \$1,302,900.

The motion passed unanimously with Sen. Dmitrich and Rep. Goodfellow absent at the time of voting.

Co-Chair Pace expressed appreciation to Director Richins for the excellent accomplishments of the Division.

## **5. Finance (Tab 6)**

Mr. Walthers explained that in the past the Division has used non-lapsing funds for the enhancement of accounting systems. He continues to support this use for non-lapsing funds and recommends the following intent language:

*It is the intent of the Legislature that funds for the Division of Finance not lapse.*

*It is the intent of the Legislature that funds for the Division of Finance which do not lapse are to be used for maintenance, operation, and development of statewide accounting systems.*

The Analyst also discussed the Statewide Financial System and the issue involved with it. American Management Systems--the vendor from whom the state bought its current financial system in 1994--will no longer support the state's version beginning in 2005. The state's system, FINET, is written in obsolete programming language and runs on older generation computers.

Mr. Walthers recommends that the CFAS subcommittee recommend a one-time General Fund allocation of \$3,000,000 to upgrade FINET and make this a priority for consideration by the Executive Appropriations Committee. In deference to the opinions of state Information Technology leaders, the Analyst supports an additional \$2,000,000 in division base resources, to upgrade FINET.

The Analyst discussed Performance Measures regarding Payroll, the Travel Office, and intent language regarding the Division of Fleet Operations and mileage reimbursement. The Analyst believes that these operations are providing lower costs and greater value for the state as a whole.

Co-Chair Pace introduced Kim Thorne, Director, Division of Finance, and presented a short biographical sketch about her.

Ms. Thorne reported that the Division of Finance continues to operate very lean and very efficiently. She discussed the Technical Services Section within the Division of Finance and its responsibilities, including the Data Warehouse.

Director Thorne also reported that the Division completed rollout of a new payroll and time processing system, eliminating an aging system that lasted almost 30 years and became difficult to maintain. While the new payroll system came in slightly behind schedule, its cost was less than originally anticipated. Savings from the Payroll system, as well as good management of other computing resources allowed the Division to carry forward \$1,000,000 into FY 2004.

Ms. Thorne confirmed the information the Analyst gave regarding the FINET system. She stated that the additional \$2,000,000 would fund the crosswalk from the old system to the new system. She said that this system is much less expensive than other systems that have been investigated and used in other states. The FINET system will take 12 to 18 months to upgrade.

Rep. D. Clark asked about connectivity, and Ms. Thorne responded that some central management systems are already in place.

Mr. Walthers stated that there is one-time money in the amount of \$3.7 million in retained earnings from rates in Risk Management. Part of this money has to go back to the federal government.

Sen. Bell expressed his feelings about the importance of making sure everyone knows the critical nature of this project.

Another important consideration Ms. Thorne pointed out is that the AMS maintenance agreement was negotiated several years ago at a very good rate. If this is not renewed in a timely way, it would have to be renegotiated at a higher rate.

Mr. Walthers noted that Jonathan Ball, the Technology Analyst, was the primary person who caught the UTAX problem and worked to resolve it. He concedes that one large, complex system would be a better solution, but he feels the state is not in a position to afford that at the present time. The technology in the FINET system is too old to maintain without upgrading. This recommendation was not made lightly.

**MOTION:** Sen. Bell moved to accept the budget for the Finance Administration in the amount of \$10,491,100 with 81 FTE's.

The motion passed unanimously with Sen. Dmitrich and Reps. Barrus and Goodfellow absent at the time of voting.

**MOTION:** Rep. Buxton moved to recommend to the Executive Appropriations Committee funding in the amount of \$3,000,000 to upgrade the Statewide Financial System, FINET, in the Division of Finance-Administration.

The motion passed unanimously with Sen. Dmitrich and Reps. Barrus and Goodfellow absent at the time of voting.

**6. Finance - Mandated (Tab 7)**

Post Conviction Indigent Defense Fund

The Analyst summarized this program and responded to questions from Subcommittee members.

**MOTION:** Rep. D. Clark moved to accept the budget for the Post Conviction Indigent Defense Fund in the amount of \$74,000.

The motion passed unanimously with Sen. Dmitrich and Reps. Barrus and Goodfellow absent at the time of voting.

Utah Navajo Trust Fund - Annual Report

Mr. Walthers stated that this is an informational item only.



LeRay McAllister Critical Land Fund

The Analyst explained that the initial \$100,000 appropriation increased to \$2.75 million in one-time funds for FY 2000. In FY 2001 the Legislature made those funds ongoing, but FY 2002 and 2003 budget pressures necessitated a reprioritization of expenditures, ultimately reducing the program to \$482,600 in ongoing funds.

**MOTION:** Rep. Becker moved to accept the budget for the LeRay McAllister Critical Land Fund in the amount of \$482,600.

The motion passed unanimously with Sen. Dmitrich and Reps. Barrus, Harper and Goodfellow absent at the time of voting.

**7. Judicial Conduct Commission (Tab 8)**

Colin Winchester, Executive Director, Judicial Conduct Commission, was introduced.

The Analyst addressed the issue of JCC non-lapsing authority. He stated that the bulk of the JCC budget goes to salary and benefits for the executive director and two part-time employees. However, the Commission routinely hires outside investigators to assist with peaks in caseload. Over the years this cost has been funded through non-lapsing balances. The Analyst recommends that these expenses continue to be handled within existing funds at this point, but should be monitored to ensure that the JCC can properly function in the future if caseload increases. The Analyst recommends the following intent language:

*It is the intent of the Legislature that funds for the Judicial Conduct Commission not lapse and that those funds shall be used to hire temporary contractors on an as needed basis.*

Mr. Winchester informed Subcommittee members that an annual report and audit are available if they are interested in reviewing them. He stated that he was in agreement with the Analyst in his recommendations. He also expressed appreciation for the assistance of other agencies in DAS.

Director Winchester reported that this had been a good year. The Commission had experienced some savings, the caseload was reduced and the computer system had been changed.

Co-Chair Evans called attention to the information in the JCC Performance Audit on page

6. This information is available to Subcommittee members in written form and on the internet.

Mr. Winchester assured Subcommittee members that he will implement every issue in the audit.

**MOTION:** Rep. S. Clark moved to accept the budget for the Judicial Conduct Commission in the amount of \$229,800 with 2 FTE's.

The motion passed unanimously with Sen. Dmitrich and Reps. Barrus, D. Clark, Harper and Goodfellow absent at the time of voting.

**MOTION:** Rep. Bowman moved to adjourn the meeting.

The motion passed unanimously with Sen. Dmitrich and Reps. Barrus, D. Clark, Harper and Goodfellow absent at the time of voting.

The meeting was adjourned at 4:45 p.m. by Co-Chair Pace.

The minutes were reported by Bonnie Brinton

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Sen. Beverly Evans  
Committee Co-Chair

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Rep. Loraine T. Pace  
Committee Co-Chair